

FISCAL IMPACT STATEMENT ON BILL NO. **H.3187**

(Doc. No. 2227sj05.doc)

TO: The Honorable Robert Harrell, Chairman, House Ways and Means Committee
FROM: Office of State Budget, Budget and Control Board
ANALYSTS: Harry Bell
DATE: February 7, 2005 SBD: 2005045

AUTHOR: Representative Rice PRIMARY CODE CITE: 59-16-10
SUBJECT: Virtual Charter School District

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

House Bill 3187 would create a Virtual Charter School District. The District would be governed by a Board of Trustees composed on seven members. The School Districts would be responsible for ensuring the availability of programs to students of the state in all geographic areas and to students of all races, and providing the students with the necessary software and hardware necessary for participation in a virtual charter school.

EXPLANATION OF IMPACT:

The cost associated with implementation depends on the number of students enrolled in the school district. The State Department of Education (SDE) estimates a need for six staff to fill management and/or administrative responsibilities. These include a District Superintendent, Director of Technology, Finance Officer, Curriculum Director, Director of Human Resources and an Administrative Assistant. Salary and fringe for these staff is estimated at \$535,000 annually. Other operating costs are estimated at \$272,000 which includes supplies, materials, utilities, travel, office space and production space for the telecast of classes. One-time office set-up is estimated at \$35,000.

SDE estimates the need for four teachers for every 100 students enrolled in the district. Salaries and fringe for four teachers is estimated at \$208,000. Recurring cost for internet connectivity is estimated at \$24,000. One-time expenses for hardware/software and other information technology equipment are estimated at \$108,000.

Based on an enrollment of 100 students the impact can be estimated at \$1,182,000 the first year and \$1,039,000 annually thereafter. Costs would increase as enrollment increased. The impact on the General Fund is at the General Assembly's discretion. This initiative could be covered with General Funds and/or Education Improvement Act funds.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this or any other Bill. Note Section 59-16-90 of this Bill.

Approved by:



Don Addy
Assistant Director, Office of State Budget